



**Government Of Tamilnadu**

**ABSTRACT**

TNUDP III - Underground Sewerage Scheme (UGSS) - Madhavaram Municipality - Implementation of UGSS Phase I at an estimated cost of Rs.26.80 Crores to install and annual maintenance cost of Rs.53.24 lakhs – Administrative sanction – Accorded.

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**Municipal Administration & Water Supply [MA3 (2)] Department**

**G.O. (3D) No.20**

**Dated: 4.9.2006**

Read:

1. G.O.Ms.No.77, Municipal Administration and Water Supply (MA-2) Department, Dated: 3.6.2005.
2. From the Commissioner of Municipal Administration Lr.Roc.No.61814/2004/UGSS, Dated: 21.8.2006

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**ORDER :**

The Government made a policy announcement of providing Under Ground Sewerage Scheme in all Urban Local Bodies in a phased manner and in all district headquarters towns. Madhavaram Municipality is one of the adjacent town of Chennai Metropolitan Area. The Madhavaram Municipal Council has decided to take up an Under Ground Sewerage Scheme and entrusted the investigation works and preparation of Detailed Project Report (DPR) for the Under Ground Sewerage Scheme to a consultancy viz. M/s. Wilbur & Smith Associates appointed by TNUIFSL. The Town consists of 39 wards. It has been proposed to take up the scheme in 2 Phases. The Consultant prepared a DPR for implementation of Under Ground Sewerage Scheme Phase I consists of 21 wards in Zone III, in Madhavaram Municipality at an estimated cost of Rs.26.80 Crores to install and annual maintenance cost of Rs.53.24 lakhs. The CMWSSB, the nodal agency for implementing the Under Ground Sewerage Scheme for Chennai Metropolitan Area, vetted the DPR. The remaining 18 wards will be taken up subsequently. The Committee constituted by Government in G.O.Ms.No.541, Municipal Administration and Water Supply Department, Dated: 25.11.2000 for according Technical clearance has cleared the concept vide its minutes Dated: 18.5.2004.

2. The scheme is proposed to be implemented under TNUDP-III. The proposed financial tie up for the scheme is indicated below:-

	(Rs. in crores)	
Grant Fund I	8.04	30%
Local Body / Public contribution	5.70	21%
TNUDP III Loan	3.56	13%
Additional Grants sought	9.50	36%
<b>Total</b>	<b>26.80</b>	

The following deposit and tariff rates are recommended by TNUIFSL for the scheme:-

#### **Graded structure based on plinth area**

##### **Domestic:**

<b>Area in Sq. ft.</b>	<b>Tariff in Rs.</b>	<b>Deposit in Rs.</b>
<500	70.00	5000.00
500-1200	90.00	7000.00
1200-2400	100.00	9000.00
>2400	100.00	9000.00
<b>Weighted Average</b>	<b>73.00</b>	<b>5300.00</b>

##### **Commercial:**

<b>Area in Sq. ft.</b>	<b>Tariff in Rs.</b>	<b>Deposit in Rs.</b>
<500	150.00	15000.00
500-1200	150.00	15000.00
1200-2400	150.00	15000.00
>2400	150.00	15000.00
<b>Weighted Average</b>	<b>150.00</b>	<b>15000.00</b>

3. The scheme has been placed before the State Level Project Sanctioning Committee with the recommendations of the Commissioner of Municipal Administration supported by cash flow for the scheme with the deposit and tariff structure indicated at para 2 above. The State Level Project Sanctioning Committee has approved the scheme in its meeting held on 9.8.2006 and also recommended

an additional grant of Rs.9.50 Crores, considering the poor financial status of the Municipality in relaxation of the grant ceiling limit of Rs.10.00 crores based on the actual requirement for the scheme.

4. The Commissioner of Municipal Administration has stated that the scheme will be implemented by CMWSSB Board following World Bank procurement norms, as this Municipality lies within Chennai Metropolitan Area, and requested the Government to accord administrative sanction for the scheme relaxing the guidelines issued in the G.O. first read above for provision of grant under GF-I of TNUDP, which limits the grant amount to a scheme such as this to 30% of the project cost subject to a maximum of Rs.10.00 crores, whereas the scheme requires an additional grant of Rs.9.50 crores.

5. The Government have carefully examined the recommendation of the Commissioner of Municipal Administration and the State Level Project Sanctioning Committee and hereby, accord administrative sanction for implementation of Under Ground Sewerage Scheme Phase I in Madhavaram Municipality at an installation cost of Rs.26.80 Crores (Rupees twenty six crores and eighty lakhs only) and annual maintenance cost of Rs.53.24 lakhs (Rupees fifty three lakhs and twenty four thousand only). The Government also sanction a grant of Rs.17.54 Crores (Rupees seventeen crores and fifty four lakhs only) (i.e. Rs.8.04 lakhs Grant Fund I and Rs.9.50 Crores additional grant) in relaxation of the guidelines issued in the G.O. second read above (Para 2(iv) & (v) in appendix to the G.O.) under TNUDP-III considering the poor financial status of the Madhavaram Municipality. The Government advises the Madhavaram Municipality to adopt the tariff and deposit structure indicated in para 2 above to make this scheme sustainable and pass resolutions accordingly.

6. The approval of the Government is subject to the following conditions:-

- 1. The tariff and deposit structure would be decided by the Municipality and the lending institution concerned while finalizing the loan grant component of the project; and
- 1. The Municipality should bear the shortfall if any, in the annual O&M cost and also the Interest During Construction and any other escalations in cost from its General Fund.
  - 2.

(By order of the Governor)

**K. DEENABANDU,**  
**Secretary to Government**

To

The Commissioner of Municipal Administration, Chennai-600 005,

The Commissioner, Madhavaram Municipality, Madhavaram.

The Managing Director, CMWSSB Board, Chennai-600 002

The Chief Executive Officer and Managing Director, TNUIFSL, Chennai - 600 017.

The Director of Local Fund Audit, Kuralagam, Chennai - 600 108

The Accountant General, Chennai - 600 018.

The Accountant General (Audit), Chennai – 600 108.

Copy to

The Resident Audit Officer, Chennai - 600 009.

The Finance (MAWS) Department, Chennai - 600 009.

The Municipal Administration & Water Supply (MA-2) Department, Chennai - 600 009

SF/SC.

// Forwarded / By Order //

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**Section Officer**